

FINANCE DEPARTMENT

The Finance Department provides financial services to the city administration in the most effective and efficient manner possible through the development and application of sound operating procedures and through the continued enhancement of the city's financial recording and reporting systems. This is accomplished by utilizing to maximum capacity the financial and personnel resources appropriated to the department.

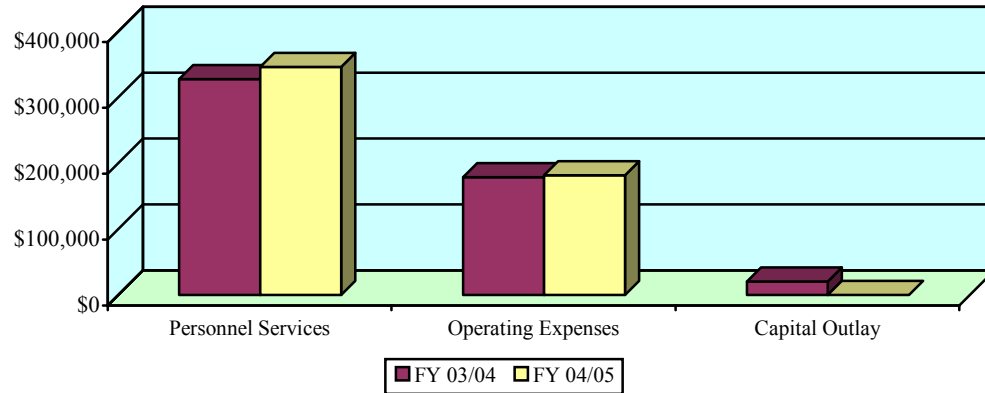
Administration	Appropriation: \$ 527,550
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The Administrative Office directs and supervises the daily activities of the functional programs, and works through the Governing Body and City Manager in establishing and implementing the city's fiscal policies to ensure the highest degree of financial responsibility and accountability. Through the various operating programs in the department, the Finance Director is responsible for providing financial, accounting, budgeting, purchasing and administrative services.

The General Fund operating budget for administration provides funding for salaries and benefits of the Department Director and three staff members; and general liability, fleet-physical damage and property insurance coverage for the entire department. The budget also includes \$85,000 for the audit contract and \$76,760 for the department's general liability insurance coverage.

<u>POSITION/CLASSIFICATION</u>	<u>FY 03/04 ACTUAL</u>	<u>FY 04/05 BUDGET</u>
Department Director	1 – EX	1 – EX
Administrative Assistant	1 – CLFT	1 – CLFT
Cash Management & Investment Officer	1 – CLFT	1 – CLFT
Office Manager	<u>1</u> – EX	<u>1</u> – EX
TOTAL:	4	4

EXPENDITURE CLASSIFICATION



	FY 03/04 <u>REVISED</u>	FY 04/05 <u>APPROPRIATION</u>
Personnel Services	\$ 327,317	\$ 346,107
Operating Expenses	178,483	181,443
Capital Outlay	<u>20,516</u>	<u>0</u>
 TOTAL:	 \$ 526,316	 \$ 527,550

Budget

Appropriation: \$ 226,160

The purpose of the Budget Office is to assist in the development and implementation of a financial plan that provides a basis for control by the Mayor and Council over municipal operations. The Budget Office is responsible for providing technical support to city departments in the development, preparation and implementation of the annual operating budget and midyear budget review.

2003/04 Operational Highlights:

- Enhanced the 2003/04 budget document and received the Distinguished Budget Presentation Award Certificate from the Government Finance Officers Association (September 2003).
- Continued to work with the Finance Committee to incorporate strategic planning and goal setting for development of FY2004/05 budget (March 2004).
- Streamlined forms required for departmental budget requests and reduced the amount of data transcription and verification required.
- Continued development of a stand-alone database system to provide enhanced reporting and data mining capabilities as well as improved time efficiency in developing budget publications and ad hoc reports.

2004/05 Goals and Objectives:

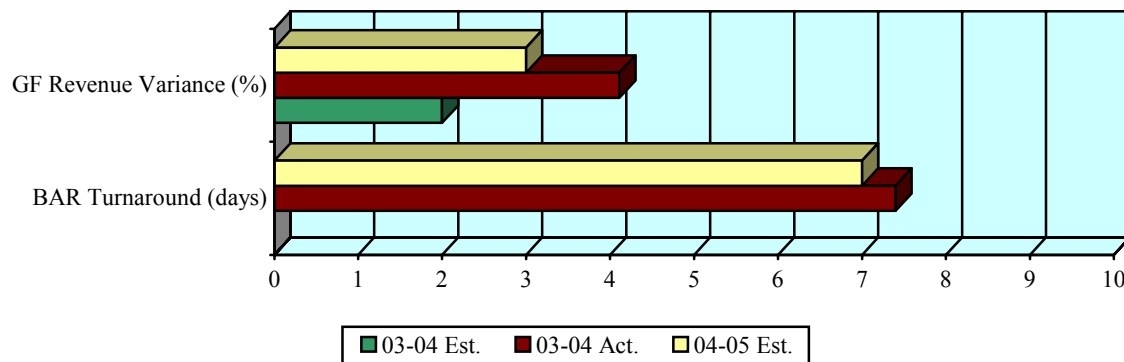
- Provide information and training to departments on budget policies and monitoring, enabling greater efficiency and accountability in city operations by assuring that spending needs are properly balanced against fund availability.
- Produce a budget calendar, assist in preparing revenue and expenditure adjustments and coordinate presentation of the review to the governing body.
- Collect and consolidate budget policies, program measurements, and goals and objectives, and improve performance measurements produced in budget development in anticipation of strategic planning at the senior administrative and governing body levels.
- Develop budget forms, instructions and calendars while streamlining the budget process and including more comprehensive budget policy guidance in response to strategic planning initiatives.
- Continue to develop the database system for use in all aspects of the budget development process, allowing for an improved work product in less time.

Budget Commentary:

The General Fund provides funding for the salaries and benefits of the Budget Director and two staff members, and the costs associated with the production and printing of the annual operating budget document.

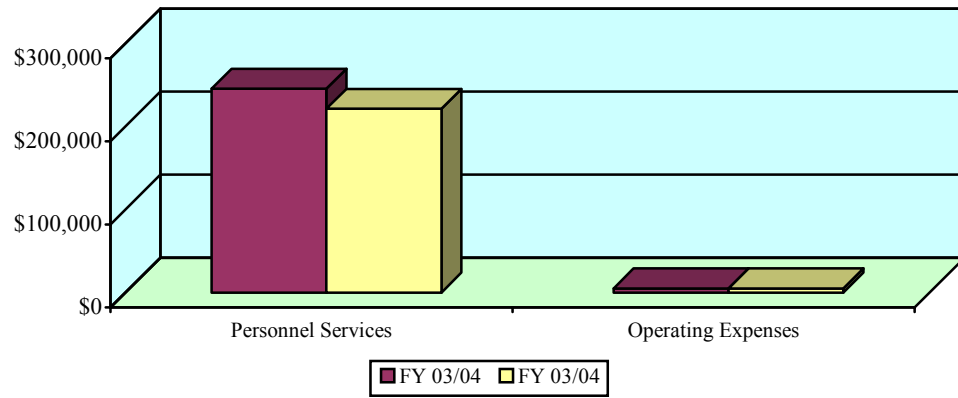
<u>Standard Program Measurements:</u>	<u>03/04</u> <u>EST.</u>	<u>03/04</u> <u>ACTUAL</u>	<u>04/05</u> <u>EST.</u>
1. Percent variance between estimated General Fund revenue and actual	2.00%	4.11%	3.00%
2. Average turnaround time for budget adjustment requests (days)	N/A*	7.4	7

*New program measure—no estimate was made for FY 2003/04



<u>POSITION/CLASSIFICATION</u>	<u>FY 03/04</u> <u>ACTUAL</u>	<u>FY 04/05</u> <u>BUDGET</u>
Budget Division Director	1 – CLFT	1 – CLFT
Budget Analyst	1 – CLFT	1 – CLFT
Budget Database Analyst	<u>1</u> – CLFT	<u>1</u> – CLFT
TOTAL:	3	3

EXPENDITURE CLASSIFICATION



	FY 03/04 <u>REVISED</u>	FY 04/05 <u>APPROPRIATION</u>
Personnel Services	\$ 245,400	\$ 221,160
Operating Expenses	<u>5,000</u>	<u>5,000</u>
TOTAL:	\$ 250,400	\$ 226,160

Financial Management

Appropriation: \$ 1,289,916

The purpose of the Financial Management Division is to maintain a financial reporting system that will adequately safeguard and account for the city's assets. Its primary function is to provide complete and accurate financial information in proper and timely form to the Governing Body, city administration and citizens of Santa Fe.

The Division Director provides direction and management to the cashier's office, payroll, accounts receivable, accounts payable, and accounting units. The Accounting office is responsible for the day-to-day upkeep of the city's general ledger accounting system, financial statement preparation and monitoring of grant budgets. Accounts Payable maintains effective control and timing over the disbursement of city funds. Payroll maintains accurate employee payroll records and processes payroll checks for over 1,800 employees. The Cashier's Office receives, controls, and accurately records all cash remittances made to the City. Accounts Receivable maintains accurate financial records of billings and payments owed the city, and ensures that all delinquent accounts are properly documented and collected.

2003/04 Operational Highlights:

- Increased collection of all accounts receivable.
- Completed the Comprehensive Annual Financial Report (CAFR) for FY 2002/03 and reduced major findings.
- Improved fixed assets reporting to eliminate audit findings.
- Completed implementation of revised infrastructure accounting procedures per GASB 34 requirements.
- Received a Certificate of Achievement for excellence in financial reporting from the Government Finance Officers Association for the FY 2002/03 Annual Financial Report.

2004/05 Goals and Objectives:

- Provide the city management with continuous and accurate financial information.
- Implement and update automated employee time sheets in Payroll.
- Finalize the pending update for the city's financial procedures manual.
- Monitor expenditures and revenues according to federal and state rules and regulations.
- Develop invoice imaging capabilities in Accounts Payable.
- Implement new and increased fees for Planning, Animal Control and Fire Inspections.

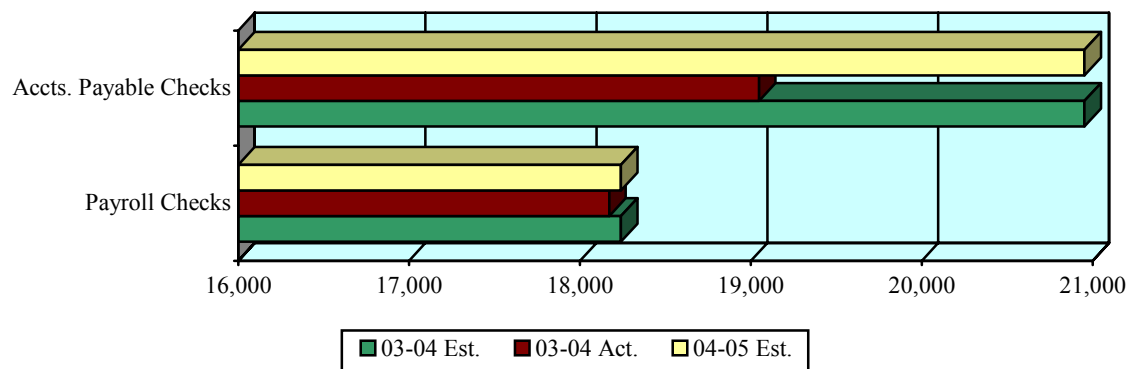
Budget Commentary:

The General Fund appropriation of \$1,289,916 provides funding for staff salaries and benefits, and contractual services for printing of the financial manual. For FY 2004/05, the largest single category of expenses (after salaries

and benefits) is professional services, wherein \$42,100 is budgeted for banking/fiscal agent services, payroll services, and printing/mailing of ambulance bills.

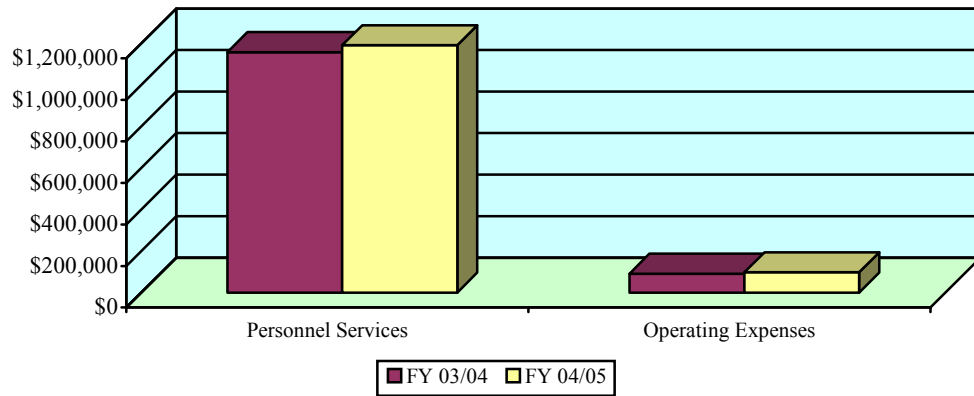
<u>Standard Program Measurements:</u>	<u>03/04</u> <u>EST.</u>	<u>03/04</u> <u>ACTUAL</u>	<u>04/05</u> <u>EST.</u>
1. Number of accounts payable checks issued	20,952	19,048	20,952
2. Number of payroll checks issued	18,240	18,172	18,240
3. Number of direct deposits issued	N/A*	23,886	24,000
4. Number of ambulance billings	50,000	37,082	50,000
5. Business licenses/registrations issued	9,000	9,106	9,000

*New program measure—no estimate was made for FY 2003/04



<u>POSITION/CLASSIFICATION</u>	<u>FY 03/04</u> <u>ACTUAL</u>	<u>FY 04/05</u> <u>BUDGET</u>
Financial Management Division Director	1 – CLFT	1 – CLFT
Accountant	1 – CLFT	1 – CLFT
Accounting Supervisor	4 – CLFT	4 – CLFT
Administrative Manager	1 – CLFT	1 – CLFT
Account Technician	12 – CLFT	10 – CLFT
Database Specialist	1 – CLFT	3 – CLFT
Financial Analyst	2 – CLFT	2 – CLFT
Financial Analyst	1 – TCF	1 – TCF
Payroll Technician	2 – CLFT	2 – CLFT
Senior Financial Analyst	1 – CLFT	1 – CLFT
Special Funds Financial Analyst	2 – CLFT	2 – CLFT
Water Operations Accounting Supervisor	<u>1</u> – CLFT	<u>1</u> – CLFT
TOTAL:	29	29

EXPENDITURE CLASSIFICATION



	FY 03/04 <u>REVISED</u>	FY 04/05 <u>APPROPRIATION</u>
Personnel Services	\$ 1,158,312	\$ 1,191,927
Operating Expenses	<u>90,837</u>	<u>97,989</u>
 TOTAL:	 \$ 1,249,149	 \$ 1,289,916

Utility Customer Service

Appropriation: \$ 2,485,959

The Utility Customer Service Division is responsible for reading water meters; providing monthly utility bills; responding to customer questions, concerns, requests and problems; and collection of delinquent customer accounts. The division is also charged with providing complete and accurate financial data to the Governing Body, the Finance Director, the utility enterprise divisions and the citizens of Santa Fe.

The Utility Customer Service Division consists of four sections: Meter Reading, Billing, Customer Service, and Collections. All four sections work as a cohesive team to assure accurate meter reading, billing and customer service for over 33,000 utility accounts. The division works closely with the Water, Wastewater and Solid Waste Divisions to ensure that services are properly rendered, customer problems are addressed, and that all divisions are kept abreast of problems or potential problems with their systems, procedures or processes. The division also works extensively with the Public Utilities, Water Conservation and Water Rate Steering Committees to provide assistance, information and reporting as required.

2003/04 Operational Highlights:

- Continued development of a comprehensive set of policies and procedures for the division.
- Implemented the Remote Meter Reading System pilot program for approximately 1,000 residential and commercial water accounts.
- Continued an aggressive program for collection of delinquent accounts.
- Implemented the Customer Service Call Monitoring System and associated customer service training.
- Created and initiated a utility billing dispute resolution procedure and contracted with an independent hearing officer to assist in resolving customer disputes.
- Worked closely and successfully with the Water Services Division on several projects, including an unaccounted-for water audit, a leak repair loan program, new utility rate recommendations, and an annual meter replacement program.

2004/05 Goals and Objectives:

- Continue the development of and necessary modifications to division policies and procedures.
- Work with the Water Services Division to finalize the implementation of the Leak Repair Loan Program.
- Evaluate the success of the Remote Meter Reading Pilot Project and plan for city-wide implementation if warranted.
- Continue to monitor and evaluate customer service calls.

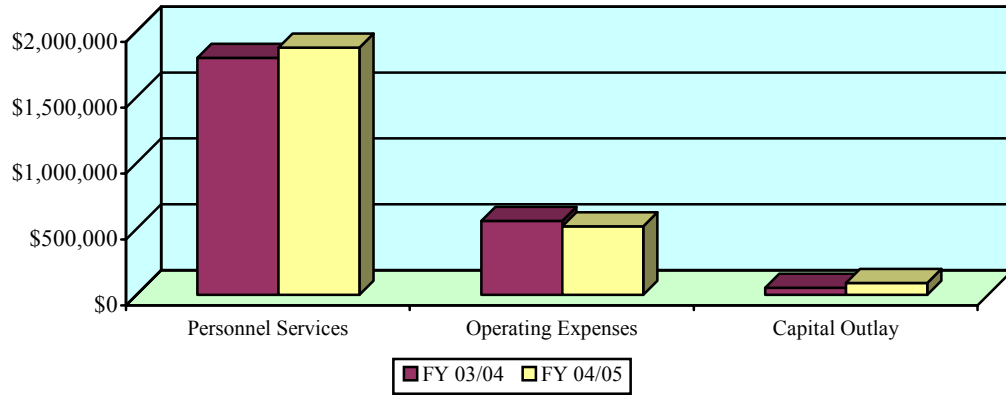
- Contract the services of a collections agency to assist in the collection of delinquent customer accounts.
- Remodel the customer service area to create a safer and more efficient working environment.
- Implement a new utility bill format, including a graph of historical water usage.
- Work with the ITT Department on evaluation and purchase of software systems to enhance division productivity and efficiency.

Budget Commentary:

The Division is supported by an appropriation of \$2,485,959 from the Utility Customer Service Fund (5205), which provides for meter reading activities, collection services for delinquent accounts, and printing services for refuse, sewer and ambulance billing statements. This fund is entirely supported by funding allocations from the Water, Wastewater and Solid Waste Utilities that are determined based on the share of division expenses attributable to each utility's customer service needs.

<u>POSITION/CLASSIFICATION</u>	<u>FY 03/04 ACTUAL</u>	<u>FY 04/05 BUDGET</u>
Utility Customer Service Division Director	1 – CLFT	1 – CLFT
Accounting Supervisor	1 – CLFT	1 – CLFT
Accounts Manager Collections Monitor	1 – CLFT	1 – CLFT
Account Specialist	1 – CLFT	1 – CLFT
Account Technician	8 – CLFT	8 – CLFT
Administrative Secretary	1 – CLFT	1 – CLFT
Collections Manager	1 – CLFT	1 – CLFT
Customer Service Manager	1 – CLFT	1 – CLFT
Database Specialist	2 – CLFT	2 – CLFT
Lead Meter Reader	1 – CLFT	1 – CLFT
Meter Reader	6 – CLFT	6 – CLFT
Meter Reading Supervisor	1 – CLFT	1 – CLFT
Utility Billing Investigator	1 – CLFT	1 – CLFT
Utility Collections Investigator	<u>1</u> – CLFT	<u>1</u> – CLFT
TOTAL:	27	27

EXPENDITURE CLASSIFICATION



	<u>FY 03/04</u> <u>REVISED</u>	<u>FY 04/05</u> <u>APPROPRIATION</u>
Personnel Services	\$ 1,798,387	\$ 1,875,820
Operating Expenses	561,907	520,388
Capital Outlay	<u>53,734</u>	<u>89,751</u>
 TOTAL:	 \$ 2,414,028	 \$ 2,485,959

Purchasing is charged with the responsibility for procuring all materials, goods and services for city departments. Purchasing enforces and ensures compliance with federal and state laws and regulations, city procurement regulations, and city fixed assets reporting and procedure requirements. The division also reviews, authorizes and processes all purchase requisitions and requests for bids and proposals; maintains the city's inventories; operates the motor pool; and disposes of surplus assets.

2003/04 Operational Highlights:

- Reached division goal to reduce inventory levels by 20% at all three supply warehouses.
- Continued to implement Phase II of the Governmental Accounting Standards Board Statement (GASB) #34 requiring municipalities to capitalize infrastructure.
- Capitalized and depreciated new regional dispatch agency equipment as the City's fiscal agent.
- Continued to work with and improve the online fixed asset and inventory system to ensure efficiency and effectiveness in division operations.

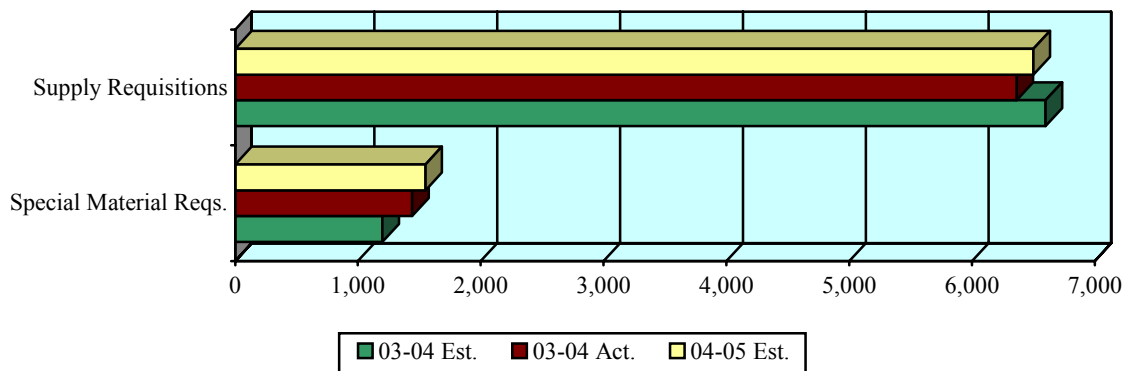
2004/05 Goals and Objectives:

- Update and reprint the City Purchasing Manual to incorporate work in progress (WIP) procedures and clarifications.
- Process all requisitions, bids and proposals in the most professional manner, processing in such a way as to maximize the competitive nature and fairness of each.
- Maintain warehouse functions in an efficient, cost-effective manner.
- Provide a safe and friendly environment for employees.

Budget Commentary:

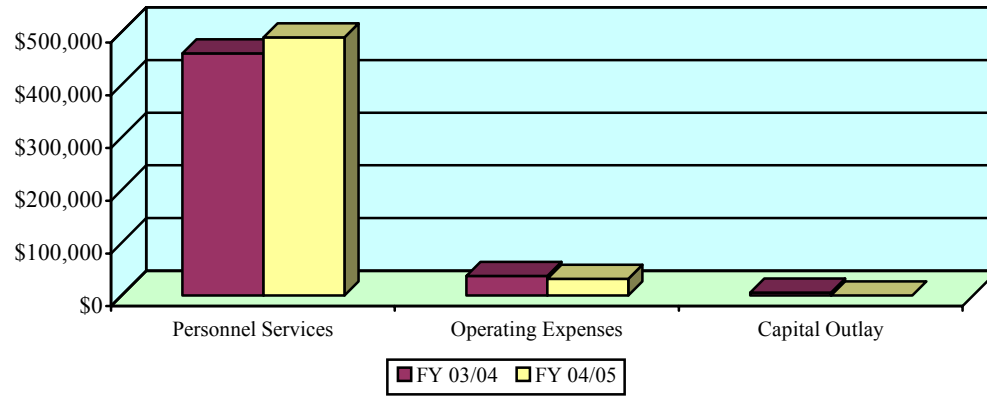
The FY 2004/05 operating budget is supported by the General Fund and provides funding for salaries and benefits for 12 staff members. Also included are the operating expenses for the division and equipment necessary for division operations.

<u>Standard Program Measurements:</u>	<u>03/04 EST.</u>	<u>03/04 ACTUAL</u>	<u>04/05 EST.</u>
1. Number of purchase orders processed	14,000	13,838	14,100
2. Number of supply requisitions processed	6,600	6,364	6,500
4. Special material requisitions	1,200	1,443	1,550
5. Number of requests for bids and proposals	105	108	110



<u>POSITION/CLASSIFICATION</u>	<u>FY 03/04 ACTUAL</u>	<u>FY 04/05 BUDGET</u>
Purchasing Officer	1 – CLFT	1 – CLFT
Accounting Supervisor	1 – CLFT	1 – CLFT
Account Technician	1 – CLFT	1 – CLFT
Administrative Assistant	1 – CLFT	1 – CLFT
Database Specialist	3 – CLFT	3 – CLFT
Grants Writer	1 – TGF	1 – TGF
Supply/Inventory Technician	<u>4</u> – CLFT	<u>4</u> – CLFT
TOTAL:	12	12

EXPENDITURE CLASSIFICATION



	<u>FY 03/04</u> <u>REVISED</u>	<u>FY 04/05</u> <u>APPROPRIATION</u>
Personnel Services	\$ 459,066	\$ 489,381
Operating Expenses	37,035	32,000
Capital Outlay	<u>5,980</u>	<u>0</u>
 TOTAL:	 \$ 502,081	 \$ 521,381

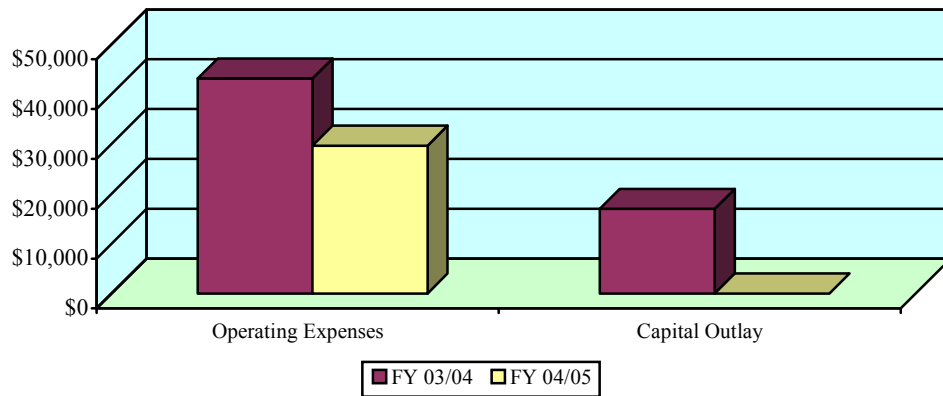
Capital Equipment Reserve

Appropriation: \$ 29,650

The Purchasing Office conducts an annual auction to dispose of surplus assets that are antiquated, obsolete or damaged. Operating costs incurred for the sale of fixed assets are paid from the Capital Equipment Reserve Fund. Following deposit of the auction proceeds, a distribution is made to each participating fund, with the General Fund portion remaining in this fund.

In FY 2004/05, the operating budget includes \$29,650 for auction-related expenses.

EXPENDITURE CLASSIFICATION



	FY 03/04 REVISED	FY 04/05 APPROPRIATION
Operating Expenses	\$ 43,151	\$ 29,650
Capital Outlay	<u>16,964</u>	<u>0</u>
TOTAL:	\$ 60,115	\$ 29,650